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HOUSE BILL 1516

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State of Washington

62nd Legislature

2011 Regular Session

By Representatives Morris, Armstrong, Rolfes, Clibborn, Fitzgibbon, Lias, Maxwell, Appleton, Sells, Eddy, and Smith

Read first time 01/25/11. Referred to Committee on Transportation.

1 AN ACT Relating to improving and measuring performance of the  
2 management of the state ferry system; adding new sections to chapter  
3 47.60 RCW; adding a new section to chapter 47.64 RCW; and creating a  
4 new section.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

6 NEW SECTION. **Sec. 1.** The legislature finds that the ferry system  
7 is an important driver of the Washington state economy, supporting jobs  
8 and businesses in communities around Puget Sound. The ferry system is  
9 also an integral part of the state highway system and, as such,  
10 benefits all citizens by connecting communities and markets around the  
11 state.

12 The legislature further finds that funding for the ferry system  
13 remains insufficient to provide adequate service in support of this  
14 economic engine. Further, new funding sources will only be acceptable  
15 when the state can show that the ferry system manages its costs  
16 prudently, while delivering reliable, safe, and quality cross-sound  
17 transportation services.

18 The legislature finds that the ferry system is subject to the  
19 statewide transportation system policy goals established in RCW

1 47.04.280 and yet performance criteria are not used effectively by  
2 management to improve operations or demonstrate to the public that  
3 ferry service is being provided in the most cost-effective manner.

4 Therefore, the legislature intends to: Strengthen performance  
5 incentives for Washington state ferries managers; increase the  
6 accountability and transparency of ferry management and operations;  
7 improve service to ferry riders; and realize cost savings in the ferry  
8 system.

9 NEW SECTION. **Sec. 2.** A new section is added to chapter 47.60 RCW  
10 to read as follows:

11 (1) For the purposes of this section and section 3 of this act:

12 (a) "Management" means a nonrepresented employee position at the  
13 Washington state ferries that includes management responsibilities.

14 (b) "Performance criteria" means measurable standards to be used by  
15 the department to evaluate the sufficiency of the services being  
16 provided to ferry riders.

17 (2) Performance criteria may include, but not be limited to:

18 (a) Customer satisfaction based on a statistically significant  
19 sampling of onboard passengers conducted by a contracted sampling  
20 research company;

21 (b) On-time performance based on at least seventy percent of the  
22 total sailings, by route or departure port arriving and departing  
23 within ten minutes of published sailing time minus authorized delays,  
24 such as medical or weather delays;

25 (c) Cost containment measures including, but not limited to,  
26 overtime as a percentage of regular employee hours, operating cost per  
27 passenger mile, capital staff and support costs as a percentage of  
28 total capital costs, and fuel conservation measures to include  
29 achieving a goal of equal or better vessel fuel cost per gallon than  
30 that achieved by the Alaska marine highway system and British Columbia  
31 ferries while accounting for any differential tax policies;

32 (d) Safety performance as measured by passenger injuries and crew  
33 lost time injuries per unit measure of total passengers and crew  
34 carried aboard vessels;

35 (e) Employee satisfaction as measured by an employee satisfaction  
36 survey with a satisfaction rating increase of ten percent over two  
37 years;

1 (f) Project delivery rate as measured by the number of projects  
2 completed on time and within the omnibus transportation appropriations  
3 act;

4 (g) Vessel and terminal design as measured by engineering designs  
5 for vessels and terminals that achieve cost efficiencies in operating  
6 and maintenance costs at a rate of at least ten percent operating  
7 savings over two years.

8 (3) Based on the performance criteria under subsection (2) of this  
9 section, contracts for ferry system management functions must provide  
10 for incentive or retained payment arrangements as a means of ensuring  
11 satisfactory performance of the contract and improved performance of  
12 the ferry system over time.

13 NEW SECTION. **Sec. 3.** A new section is added to chapter 47.60 RCW  
14 to read as follows:

15 (1) By June 30, 2013, the department must meet or exceed the target  
16 performance level for fifty percent of the performance criteria under  
17 section 2(2) of this act.

18 (2)(a) If the Washington state ferries accountability board created  
19 in section 4 of this act determines that the department has not met the  
20 requirement under subsection (1) of this section, the department must  
21 competitively contract out ferry system management functions to a  
22 private management services firm. The contract must include the  
23 specific performance criteria and measures to be achieved by the firm  
24 and must require that the firm retain existing collective bargaining  
25 agreements between the state and the employees' labor representatives.  
26 The contract must be for a six-year period, with a ten-year extension  
27 option.

28 (b) The invitation for bid process for the contract may include a  
29 preliminary request for qualifications to inform the most effective way  
30 to contract for management functions.

31 (c) Consistent with RCW 41.06.142(3), the contract is not subject  
32 to requirements for agencies purchasing services that have been  
33 customarily and historically provided by state employees.

34 NEW SECTION. **Sec. 4.** A new section is added to chapter 47.60 RCW  
35 to read as follows:

1           (1) The Washington state ferries accountability board is created  
2 and must consist of ten members representing ferry user groups, the  
3 legislature, and the executive branch.

4           (2) The board shall meet annually to determine the department's  
5 progress towards and achievement of the performance criteria outlined  
6 in section 2 of this act.

7           (3) The responsibilities of the board include, but are not limited  
8 to, establishing baseline data and target performance levels for the  
9 performance criteria outlined in section 2 of this act.

10           NEW SECTION.   **Sec. 5.** A new section is added to chapter 47.64 RCW  
11 to read as follows:

12           A collective bargaining agreement may not allow for department of  
13 transportation Washington management services managers or exempt  
14 management services managers to belong to the same bargaining unit  
15 representing employees whom the managers supervise.

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